

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 COME-00 STR-01

TRSE-00 SSO-00 NSCE-00 INRE-00 SP-02 AID-05 NSC-05

CIEP-01 SS-15 OMB-01 CEA-01 CIAE-00 INR-07 NSAE-00

L-02 H-02 TAR-01 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01

/092 R

DRAFTED BY EB/OT/TA:BREDECKER:CLJ

APPROVED BY EB/ITP:MWGLITMAN

EA/ANP:HLANGE

EA/EP:AGEBER

COMMERCE:DBLACK

STR:ELAPP

TREAS:MCHAVES

EB/FTD:MSMITH

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O R 120004Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY CANBERRA IMMEDIATE

USMISSION OECD PARIS IMMEDIATE

INFO USMISSION GENEVA

USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ETRD, AS

SUBJECT: AUSTRALIAN TRADE POLICY

REF: (A) CANBERRA 628(NOTAL); (B) CANBERRA 455(NOTAL);

(C) CANBERRA 1496(NOTAL); (D) CANBERRA 1498(NOTAL);

(E) CANBERRA 1516(NOTAL); (F) STATE 1803

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1. MISSION OECD REQUESTED TO ADVISE UNDER SECRETARY ROBINSON OF LATEST AUSTRALIAN IMPORT RESTRICTIONS RECOMMENDING THAT HE BRING THEM TO ATTENTION OF OECD XCSS MEMBERS IN A MANNER MOST APPROPRIATE TO CONVEY SERIOUSNESS OF U.S. CONCERN. FACT THAT LATEST TEXTILE AND STEEL MEASURES WERE ANNOUNCED AT TIME RENEWAL OF OECD TRADE PLEDGE AND POSSIBLE VIOLATIONS THEREOF WERE UNDER DISCUSSION SHOULD BE UNDERLINED. EMBASSY CANBERRA ALSO REQUESTED TO MAKE REPRESENTATIONS AT HIGHEST APPROPRIATE POLITICAL AND ECONOMIC LEVELS IN GOA, DRAWING ON FOLLOWING POINTS.

2. USG REGARDS RECENT SPATE OF AUSTRALIAN IMPORT RESTRICTIVE MEASURES (AUTOMOTIVE VEHICLES (REF A), TIRES REF (B), TEXTILE APPAREL GOODS (REFS C AND D) AND NOW ROLLED STEEL PRODUCTS (REF E)--WITH PROSPECT OF MORE TO COME) AS EXTREMELY SERIOUS DEVELOPMENT. WE ARE MOST CONCERNED THAT SERIES OF RECENT ACTIONS REFLECTS GOA'S ADOPTION, AS MATTER

OF POLICY, OF WHOLESALE RESORT TO IMPORT RESTRICTIONS IN AN ATTEMPT TO SHIFT AUSTRALIA'S CURRENT PROBLEMS TO OTHERS.

3. WHILE THE TRADE DISTORTING EFFECTS OF THESE NEW MEASURES WOULD SEEM OBVIOUS AND THUS MOST REGRETTABLE, THEIR BROADER POLICY IMPLICATIONS ARE FAR MORE TROUBLESOME, ESPECIALLY WHEN SET AGAINST THE BACKDROP OF OTHER IMPORT RESTRICTIONS WHICH AUSTRALIA ANNOUNCED EARLIER THIS YEAR. COMBINED, THEY SET A PRECEDENT FOR INTERNATIONAL TRADE BEHAVIOR WHICH WOULD UNDERMINE OUR SHARED OBJECTIVE OF AVOIDING MEASURES WHICH WILL AGGRAVATE OUR CURRENT INTERNATIONAL AND DOMESTIC ECONOMIC DIFFICULTIES AND WHICH WILL INHIBIT THE BROAD EFFORT OF TRADE REFORM WE AND OTHER PARTICIPANTS ARE NOW EMBARKED ON IN THE MTN.

4. AUSTRALIA JOINED OTHER OECD COUNTRIES IN THE MAY 30, 1974 OECD DECLARATION. IT IS OUR OBJECTIVE, AND ONE THAT WE BELIEVE IS SHARED BY VIRTUALLY ALL OTHER OECD MEMBERS, THAT THIS DECLARATION BE RENEWED AT THE NEXT OECD MINISTERIAL MEETING. AS A RESULT OF THE LATEST OECD TRADE COMMITTEE MEETING, WE BELIEVED AUSTRALIA SHARED THIS LIMITED OFFICIAL USE

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OBJECTIVE. AUSTRALIA'S LATEST ACTIONS, HOWEVER, ARE NOT ONLY DISTRESSING ON THEIR OWN MERITS, BUT MORE IMPORTANT APPEAR TO CONSTITUTE A PATTERN OF POLICY WHICH IS AT VARIANCE WITH THE SPIRIT AND AIMS OF THE DECLARATION TO WHICH IT HAD ASCRIBED.

5. WITH RESPECT TO TIMING, THE PRESENT INCREASINGLY SERIOUS STATE OF THE WORLD ECONOMY IS SUCH THAT MANY COUNTRIES

ARE NOW EXPOSED TO IMPORTANT DOMESTIC ECONOMIC STRESSES. AS EXPERIENCE HAS READILY DEMONSTRATED, A RESORT TO BEGGAR-THY-NEIGHBOR ACTIONS SERVE NO PURPOSE OTHER THAN TO TRANSFER TO SUPPLYING COUNTRIES THE INTERNAL PROBLEMS WHICH THEY ARE INTENDED TO CONTAIN. DEVELOPMENTS OF THIS KIND INVARIABLY SET IN MOTION A SEQUENTIAL RETALIATORY PROCESS IN WHICH EVERYONE LOSES AND A BADLY DAMAGED WORLD TRADING SYSTEM RESULTS.

6. USG, AND WE BELIEVE OTHERS, WOULD APPRECIATE ASSURANCES FROM THE GOA THAT ITS ADOPTION OF THESE MEASURES DOES NOT PORTEND A CHANGE IN GOA POLICY IN CONTRADICTION WITH ITS RESPONSIBILITIES AND OBLIGATIONS VIS-A-VIS OTHER COUNTRIES BOTH INDIVIDUALLY AND COLLECTIVELY. SPECIFICALLY, WE

HOPE THAT THESE MEASURES WILL BE WITHDRAWN SOONEST AND THAT ADDITIONAL MEASURES WILL NOT BE IMPOSED.

7. IN MAKING ABOVE POINTS YOU SHOULD BEAR IN MIND FACT THAT AUSTRALIAN DELEGATE TO OECD TRADE COMMITTEE MEETING WAS MORE RESPONSIVE TO BROAD ARGUMENTS THAT AUSTRALIAN ACTIONS COULD JEOPARDIZE INTERNATIONAL CLIMATE THAN TO THEIR SPECIFIC LINK WITH TRADE PLEDGE.

8. WE BELIEVE THAT SCHEDULED DATE OF TRADE COMMITTEE WORKING PARTY CONSULTATIONS ON AUSTRALIAN MEASURES SHOULD BE MOVED UP. DURING DISCUSSION OF EARLIER MEASURES, AUSTRALIAN DELEGATE AT TRADE COMMITTEE MEETING MADE NO MENTION OF ANY NEW MEASURES, ALTHOUGH THEY WERE ANNOUNCED RIGHT AFTER TRADE COMMITTEE MEETING.

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9. WE HAVE ALREADY MADE SIMILAR APPROACH TO AUSTRALIAN EMBASSY HERE. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 12 MAR 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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